

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 10498-A
GAS OF KENTUCKY, INC.)	

O R D E R

On October 17, 1989, the Commission issued its Order in Case No. 10498 approving certain adjustments in rates and providing under certain conditions for the further adjustments of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 30, 1990, Columbia Gas of Kentucky, Inc. ("Columbia") filed its revised semiannual gas cost adjustment ("GCA") which is to become effective March 1, 1990.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice of January 30, 1990 set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas cost from its suppliers in the amount of \$4,696,452 or 26.06 cents per Mcf excluding take-or-pay billings. Columbia's expected gas cost for the semi-annual period beginning March 1, 1990 is \$3.8318 per Mcf.

2. Columbia's notice set out a Special Agency Service ("SAS") refund adjustment of .03 cent per Mcf. This adjustment returns a portion of Columbia's SAS revenues to its customers.

3. Columbia's notice set out a total supplier refund adjustment of 33.61 cents per Mcf. This adjustment is composed of 1.67 cents per Mcf from a previous adjustment and a current adjustment of 31.94 cents per Mcf which is calculated to return total supplier refunds on hand of \$5,756,728, including interest.

4. Columbia's notice set out an actual cost adjustment of 2.3 cents per Mcf to return previous overcollections to its customers.

5. Columbia's notice set out a balancing adjustment in the amount of 3.64 cents per Mcf to reconcile previous balancing and actual adjustments.

6. Columbia's notice set out a fixed charge recovery rate of 13.37 cents per Mcf to recover pipeline contract reformation and take-or-pay charges from its customers.

7. Columbia's gas cost recovery rate of 3.5697, which includes the fixed charge recovery component, represents a decrease in retail rates of 6.68 cents per Mcf. This decrease is composed of the combined effect of the supplier increase, actual cost, balancing and refund adjustments.

8. Columbia's adjustments in rates, under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 10498, dated October 17, 1989 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after March 1, 1990.

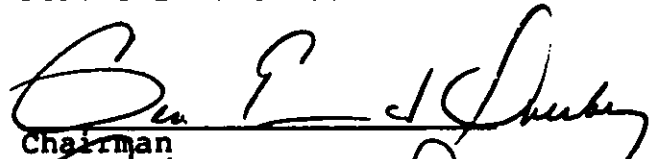
IT IS THEREFORE ORDERED that:

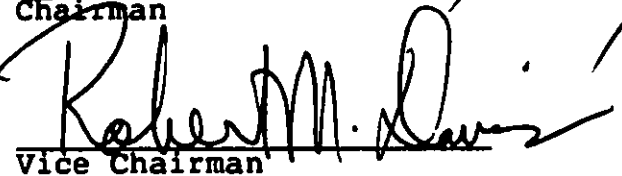
1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are authorized effective with gas supplied on and after March 1, 1990.

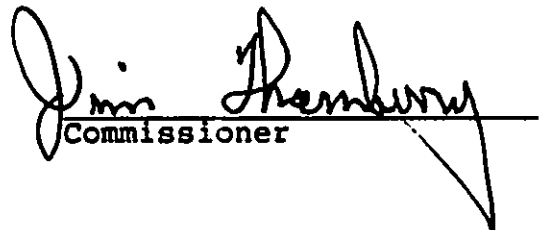
2. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of February, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO 10498-A DATED February 26, 1990

The following rates and charges are prescribed for the customers served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

CURRENTLY EFFECTIVE BILLING RATES

	Base Rate Charge \$	Gas Cost Adjustment <u>1/</u> \$	Total Billing Rate \$
RATE SCHEDULE GS			
Customer Charge:			
Residential	4.40		4.40
Commercial or Industrial	11.00		11.00
Volumetric:			
First 2 Mcf/Month	1.4305	3.5697	5.0002
Next 48 Mcf/Month	1.3905	3.5697	4.9602
Next 150 Mcf/Month	1.3505	3.5697	4.9202
All Over 200 Mcf/Month	1.3105	3.5697	4.8802
Delivery Service:			
Demand Charge			
Demand Charge times			
Firm Mcf Volume in			
Customer Service Agreement		5.5488	5.5488
Firm	1.3105	.0561	1.3666
Interruptible	.9919	.0561	1.0480

RATE SCHEDULE FI

Customer Charge:	110.00		110.00
Customer Demand Charge:			
Demand Charge times			
Firm Mcf Volume in			
Customer Service			
Agreement		5.5488	5.5488
Commodity Charge-All			
Volumes	.4465	3.5697	4.0162
Delivery Service			
Interruptible:	.4398	.0561	.4959

RATE SCHEDULE IS

Customer Charge:	110.00		110.00
Commodity Charge:	.4465	3.5697	4.0162
Delivery Service:			
Interruptible	.4398	.0561	.4959

RATE SCHEDULE IUS

For all Volumes			
Delivered each Month	.1411	3.5697	3.7108
<u>Delivery Service</u>	.1411	.7643	.9054

1/ The Gas Cost Recovery Rate, as shown, is an adjustment per Mcf determined in accordance with the "Semi-Annual Gas Cost Adjustment Clause" as set forth on Sheets 80 through 82 of this tariff.